

*fax transmission*

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TO: 1. Dept. of State Operations Center ✓  
 2. Dept. of State, EAP/P - John Ohta ✓  
 3. Dept. of Defense, Brian Cullian/Lee Hockman •  
 4. USIA Operations Center ✓  
 5. USIS Tokyo, Please pass to Linda Kozaryn •

FROM: PAO - William H. Maurer

FAX: 011-822-790-9268

SUBJECT: PRESS CONFERENCE BY WILLIAM PERRY

FOLLOWING IS AN UNCLEARED TRANSCRIPT OF SECRETARY PERRY'S OCTOBER 21 PRESS CONFERENCE IN SEOUL. THE SECRETARY DID NOT CLEAR THIS TRANSCRIPT BEFORE HE DEPARTED.

BEFORE I COMMENCE WITH MY STATEMENT, I WOULD LIKE TO OFFER HEARTFELT CONDOLENCES TO THE FAMILIES AND FRIENDS OF THOSE WHO DIED IN THE TRAGIC ACCIDENT AT SUNGSOO BRIDGE THIS MORNING. I WANT YOU TO KNOW THAT THE AMERICAN PEOPLE EXTEND THEIR SYMPATHY AND PRAYERS TO ALL OF THE BEREAVED. IN THAT REGARD, I HAVE OFFERED TO THE MINISTER OF NATIONAL DEFENSE RHEE THE SUPPORT OF THE U. S. MILITARY FORCES IN KOREA FOR THE HUMANITARIAN AND RECOVERY OPERATION IN WHICH HE IS ASSISTING.

PRESIDENT CLINTON ASKED ME TO COME AS A SPECIAL ENVOY TO THE REPUBLIC OF KOREA TO CONSULT WITH PRESIDENT KIM AND OTHER OFFICIALS IN THE KOREAN GOVERNMENT RELATIVE TO THE NEW FRAMEWORK AGREEMENT. I CAME TO REAFFIRM THE IMPORTANCE TO THE UNITED STATES OF THE SECURITY ALLIANCE BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA. I CAME TO STATE MY PERSONAL BELIEF THAT THIS FRAMEWORK AGREEMENT STRENGTHENS OUR ALLIANCE AND CONTRIBUTES TO THE SECURITY AND STABILITY ON THE KOREAN PENINSULA. AND I CAME TO CONTINUE THE CONSULTATIONS WHICH WE HAVE HAD ON THIS SUBJECT WITH THE REPUBLIC OF KOREA FOR THE LAST SEVENTEEN MONTHS NOW WITH A NEW FOCUS ON IMPLEMENTING THE AGREEMENT. SEVENTEEN MONTHS AGO, NORTH KOREA WITHDREW FROM THE NONPROLIFERATION TREATY THEREBY CREATING A DANGEROUS SITUATION WHICH I BELIEVED THEN WAS THE MOST IMPORTANT SECURITY ISSUE FACING THE UNITED STATES AND THE REPUBLIC OF KOREA. WE SET OUT TO RESOLVE THIS PROBLEM THROUGH DIPLOMACY BUT LATE LAST SPRING THE DIPLOMACY FAILED AND WE WERE PROCEEDING TO REQUEST SANCTIONS AND TO AUGMENT THE TROOP LEVELS

IN THE REPUBLIC OF KOREA TO TRY TO DEAL WITH THIS PROBLEM. WE UNDERSTOOD THAT IMPOSING SANCTIONS AND AUGMENTING THE TROOP LEVELS HERE HAD RISKS ASSOCIATED WITH THEM, BUT WE BELIEVED IT WAS EVEN MORE DANGEROUS TO ALLOW NORTH KOREA TO PROCEED WITH THIS LARGE SCALE NUCLEAR WEAPON PROGRAM. JUST AS WE WERE ABOUT TO TAKE THOSE ACTIONS, THE CARTER MISSION REOPENED THE POSSIBILITY OF NEGOTIATIONS AND THAT HAS RESULTED IN THE HISTORIC AGREEMENT REACHED AT GENEVA THIS WEEK. THAT AGREEMENT TOOK SEVENTEEN MONTHS TO REACH BUT, IN MY OPINION, IT WAS WORTH IT BECAUSE IT AVOIDED THE RISKS ASSOCIATED WITH THE MORE DANGEROUS COURSE OF IMPOSING SANCTIONS AND MAKING MILITARY FORCE AUGMENTATIONS IN THE REPUBLIC OF KOREA. THE BENEFITS OF THIS AGREEMENT HAVE ALREADY BEEN WELL STATED BY AMBASSADOR GALLUCCI. LET ME BRIEFLY SUMMARIZE THEM AT THIS TIME. IT FREEZES THE NORTH KOREAN NUCLEAR PROGRAM AND THAT AVOIDS THE DANGER OF HAVING THEM REPROCESS THE SPENT FUEL THAT THEY ALREADY HAVE TAKEN OUT OF THE REACTOR. IT PROVIDES FOR THE DISMANTLING OF THE MAJOR FACILITIES IN THIS NUCLEAR PROGRAM AND THAT AVOIDS THE DANGER OF THEM PRODUCING DOZENS OF NUCLEAR WEAPONS A YEAR IN THE FUTURE. IT PROVIDES FOR ROLL BACK IN THE PLUTONIUM, IN THE SPENT FUEL, WHICH THEY HAVE ALREADY PRODUCED. IT PROVIDES FOR TRANSPARENCY SO THAT ALL OF THE PROVISIONS IN THE TREATY CAN BE CAREFULLY MONITORED. AND IT PROVIDES A POTENTIAL FOR IMPROVING THE POLITICAL SITUATION ON THE PENINSULA THROUGH A NORTH SOUTH DIALOGUE. LET ME MAKE SEVERAL PERSONAL OBSERVATIONS ABOUT THIS AGREEMENT. IT GOES WELL BEYOND THE REQUIREMENTS OF THE NONPROLIFERATION TREATY, IN THAT IT ACTUALLY REQUIRES THE DISMANTLING OF THE FACILITIES AND THE EXPORTING OF THE FUEL THAT HAS ALREADY BEEN PRODUCED. OUR CONFIDENCE AND COMPLIANCE WITH THIS TREATY DOES NOT DEPEND ON TRUST; IT INVOLVES VERY CAREFUL MONITORING AND IT IS ALSO IMPLICIT IN THE WAY IN WHICH THE FEATURES, THE PROVISIONS OF THE TREATY, ARE FAZED IN OVER TIME. THERE IS NO BENEFIT TO NORTH KOREA ON RENEGING OR ABROGATING THIS AGREEMENT BECAUSE, FIRST OF ALL, THEIR PROGRAM IS FROZEN SO THEY ARE NOT ABLE TO PROCEED BEYOND WHERE THEY ARE AT THIS TIME, AND, SECONDLY, IF THEY DO RENEGE OR ABROGATE, THEY LOSE THE BENEFITS BECAUSE OF THE FAZED WAY IN WHICH THE BENEFITS ARE IMPLEMENTED. WE WILL CONTINUE A FULL LEVEL OF MILITARY COOPERATION WITH THE REPUBLIC OF KOREA. THERE WILL BE NO DIMINUTION NO DECREASE IN THE LEVEL OF MILITARY COOPERATION. WE ARE NOT CONSIDERING ANY REDUCTION IN THE LEVEL OF TROOPS IN KOREA AND WE WILL WORK CLOSELY WITH THE REPUBLIC OF KOREA TO MAINTAIN A READINESS ON THE FORCES IN THE REPUBLIC OF KOREA. THE LEVEL OF OUR MILITARY FORCES HERE ARE DETERMINED BY THE CONVENTIONAL MILITARY THREAT FROM NORTH KOREA AND WE COULD ONLY CONSIDER A REDUCTION IN THEM AT SUCH TIME AS WE SEE A SIGNIFICANT REDUCTION IN THAT THREAT. FINALLY, I WOULD NOTE THAT WE ARE HAVING FULL CONSULTATIONS WITH THE REPUBLIC OF KOREA ON ALL ASPECTS OF THIS AGREEMENT. WE HAVE CONSULTED WITH THEM FOR SEVENTEEN MONTHS. WE CONSULTED WITH THEM CLOSELY LATE LAST SPRING WHEN THE NEGOTIATIONS BROKE DOWN OVER THE COURSE OF ACTION WE MIGHT HAVE TO TAKE THEN, AND WE CONSULTED WITH THEM CLOSELY DURING THE INTENSE PHASE OF THESE NEGOTIATIONS AT GENEVA.

INDEED, MY VISIT HERE TODAY IS PART OF THAT PROCESS OF CONSULTATION. I MIGHT ALSO SAY THAT THE NEGOTIATIONS ON THE AGREEMENT WERE ALMOST BROKEN OFF LAST WEEKEND OVER THE ISSUE OF NORTH-SOUTH DIALOGUE. WE WERE PREPARED TO BREAK OFF THE AGREEMENT RATHER THAN ACCEPT AN AGREEMENT THAT DID NOT INCLUDE A PROVISION FOR THE NORTH-SOUTH DIALOGUE. MY ASSISTANT TELLS ME I REFERRED TO THIS AGREEMENT ONCE AS A TREATY--IF I SAID THAT, STRIKE IT, IT IS AN AGREEMENT, NOT A TREATY. IT IS AN IMPORTANT DISTINCTION BETWEEN THESE TWO. THIS IS ONLY AN AGREEMENT. I'LL BE HAPPY TO TAKE SOME QUESTIONS FROM THE AUDIENCE. CHARLIE-

QUESTION: MR. SECRETARY, CHARLIE OLLINGER FROM REUTERS, YOU SAID ~~THAT THE LEVEL OF U. S. - ROK READINESS DEPENDS ON NORTH KOREAN CONVENTIONAL FORCES (MILITARY READINESS) AND YET YOU CANCELLED TEAM SPIRIT THIS YEAR. WILL YOU HOLD TEAM SPIRIT NEXT YEAR, IF THOSE NORTH KOREAN CONVENTIONAL FORCES ARE NOT REDUCED OR THEY ARE NOT WITHDRAWN FROM THE BORDER?~~

PERRY: MINISTER RHEE AND I MET THIS MORNING WITH GENERAL LUCK, SPECIFICALLY TO DISCUSS THE EXERCISE ISSUE. IT WAS HIS RECOMMENDATION TO CANCEL TEAM SPIRIT '94, AND BOTH OF US ACCEPTED THAT RECOMMENDATION. AT THAT TIME, HE TOLD US HE WAS PREPARING A COMBINED EXERCISE PROGRAM FOR '95 AND WOULD BE PRESENTING THAT FOR APPROVAL LATER, BUT HE ASSURED US HE WOULD HAVE AN EXERCISE PROGRAM IN '95 WHICH MET HIS REQUIREMENTS FOR MAINTAINING TRAINING AND READINESS. HE ALSO TOLD US THAT HE BELIEVED THE READINESS OF THE COMBINED FORCES HERE WAS AT THE HIGHEST LEVEL THAT HE HAD SEEN.

QUESTION: IT IS REPORTED THAT THIS FRAMEWORK. . .

PERRY: PARDON ME. CAN YOU IDENTIFY YOURSELF?

QUESTION: CHI CHONG NAM OF LOS ANGELES TIMES. IT IS REPORTED THAT THIS FRAMEWORK AGREEMENT WOULD BE ACCOMPANIED BY A MEMORANDUM, THE CONTENTS OF WHICH WOULD NOT BE REVEALED. I DON'T EXPECT YOU TO REVEAL THE CONTENTS OF THE AGREEMENT, BUT COULD YOU COMMENT, IN YOUR OPINION, WHETHER THE CONTENTS WOULD MAKE KOREANS WORRIED OR RELIEVED, IF REVEALED? PLEASE BE REMINDED THAT MANY KOREANS FEEL BETRAYED WITH YOUR TAFT-KATSURA AGREEMENT A LONG TIME AGO.

PERRY: THE CONFIDENTIAL AGREEMENT INCLUDES SOME TECHNICAL DETAILS OF IMPLEMENTATION. IT WILL BE FULLY DISCLOSED TO OUR CONGRESS. IF THE AMERICAN PUBLIC AND THE KOREAN PUBLIC WERE TO READ THIS DOCUMENT, THEY WOULD FIND NOTHING IN IT THAT WOULD GIVE THEM ANY CAUSE TO WORRY. AND, INDEED, IT WOULD GIVE THEM SOME CAUSE FOR COMFORT THAT WE WERE PAYING ATTENTION TO IMPORTANT DETAILS OF IMPLEMENTATION. THERE IS NOTHING IN IT THAT GIVES A DIFFERENT IMPRESSION OR A DIFFERENT THRUST THAN THE BODY OF THE AGREEMENT ITSELF.

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QUESTION: JOHN DIAMOND FROM AP. MR. SECRETARY, DO YOU FEEL THAT THIS AGREEMENT HAS REDUCED THE RISK OF WAR, OR DO YOU FEEL THE RISK OF WAR IS, AS IT HAS BEEN DISCUSSED IN THE PAST YEAR, HAS REALLY BEEN OVERPLAYED OR OVEREXAGGERATED?

PERRY: I'LL GIVE YOU MY PERSONAL ASSESSMENT ON THAT BECAUSE I HAVE SPENT A LOT OF TIME STUDYING THIS QUESTION AND THINKING ABOUT IT. I BELIEVED THAT THE NUCLEAR WEAPON PROGRAM THAT WAS UNDERWAY IN NORTH KOREA DID CONSTITUTE A RISK OF WAR. THAT RISK WAS SIGNIFICANT ENOUGH THAT WE WERE WILLING TO CONSIDER THE IMPOSITION OF SANCTIONS AND THE AUGMENTATION OF FORCE LEVELS IN KOREA WHICH ITSELF HAD SOME RISKS ASSOCIATED WITH IT. THIS AGREEMENT ESSENTIALLY ELIMINATES BOTH OF THOSE RISKS AND, THEREFORE, I THINK IT IS A MAJOR BENEFIT FOR THE PEACE AND STABILITY IN THE REGION. I HAVE FROM THE BEGINNING OF MY TERM IN THE PENTAGON, I HAVE BEEN STRONGLY, SERIOUSLY, CONCERNED ABOUT THIS ABOUT THE NORTH KOREAN NUCLEAR PROGRAM AND HAVE BEEN CONSISTENTLY IN FAVOR OF TAKING STRONG ACTIONS TO DEAL WITH IT. I BELIEVE THIS AGREEMENT IS THAT STRONG ACTION AND DOES SUCCESSFULLY RESOLVE THE PROBLEM, SO I'M VERY SATISFIED WITH IT.

QUESTION: MR. SECRETARY, YOU KEEP SAYING THAT THIS BASIC AGREEMENT BETWEEN U.S. AND NORTH KOREA REDUCES THE RISK AND ALSO IT GUARANTEES THE TRANSPARENCY OF THE NORTH KOREA'S NUCLEAR PROGRAM, BUT I THINK THAT IT GUARANTEES THE TRANSPARENCY OF PRESENT AND FUTURE NUCLEAR PROGRAMS, NOT THE PAST. I MEAN YOU SORT OF NEGLECTED THE PAST NUCLEAR ACTIVITY OF NORTH KOREA. TO GIVE YOU A MORE DETAILED EXAMPLE, I'M GOING TO TELL YOU THAT, BEFORE, SOUTH KOREA INSISTED THAT WE'RE GOING TO SUBSIDIZE THE FINANCING OF THE LIGHT WATER REACTOR IN CASE THE MUTUAL INSPECTION AND ALSO THE SPECIAL INSPECTION TAKES PLACE. HOWEVER, ACCORDING TO THE BASIC AGREEMENT, THE SPECIAL INSPECTION PERIOD IS DELAYED, AND THE MUTUAL INSPECTION IS NOT EVEN MENTIONED IN THIS BASIC AGREEMENT. SO AS A RESULT OF THAT, KOREA IS ONLY SHARING THE BURDEN, TO FINANCE THIS LIGHT WATER REACTOR AND WE DO NOT GET ANY GUARANTEE FOR THE PAST ACTIVITY OF NORTH KOREA. SO I WANT TO KNOW WHETHER NORTH KOREA HAS ONLY EARNED LIKE TWO OR THREE YEARS OF PERIOD AND WHAT IF NORTH KOREA HAS ALREADY PURCHASED PLUTONIUM OR PROBABLY ALREADY POSSESSES NUCLEAR BOMBS?

PERRY: I DON'T AGREE WITH THAT ASSESSMENT AT ALL. FIRST OF ALL IT IGNORES THE MAJOR ACHIEVEMENT OF THIS TREATY, WHICH IS THE FREEZING AND THE DISMANTLEMENT OF THE ENTIRE -- AND STOPPING THE ENTIRE NUCLEAR WEAPON PROGRAM IN KOREA. IN TERMS OF WHAT THEY HAVE DONE IN THE PAST, IT MAKES TWO PROVISIONS: IT REQUIRES THE STORING AND THE EVENTUAL EXPORT OF THE SPENT FUEL THAT HAS ALREADY COME OUT OF THE REACTOR; AND IT REQUIRES COMPLIANCE WITH THE IAEA WHICH DID NOT ALLOW THEM TO HAVE UNDECLARED PLUTONIUM. THE REQUIREMENT IS EFFECTIVE IMMEDIATELY ON SIGNING THE AGREEMENT. THE INSPECTION, OR THE VERIFICATION, OF THAT IS DELAYED, BUT NOT THE REQUIREMENT OF COMPLIANCE. ONE MORE QUESTION. MICHAEL, YOU HAD ONE?

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QUESTION: I'M MICHAEL GORDON, NEW YORK TIMES. YOU MENTIONED THAT THE CONVENTIONAL FORCE BALANCE HADN'T CHANGED, AND AS A RESULT IT STILL REQUIRED SUBSTANTIAL DEPLOYMENT OF AMERICAN FORCES. WHAT SPECIFIC STEPS SHOULD THE NORTH KOREANS TAKE TO REDUCE THE RISK TO THE AMERICAN FORCES IN THE SOUTH? ARE THERE PARTICULAR THINGS THAT THEY MIGHT DO, SUCH AS MOVE THEIR ARTILLERY BACK? AND SINCE WE ARE GIVING THEM \$4 BILLION WORTH OF ENERGY ASSISTANCE, DO YOU SEE ANY VALUE IN INITIATING DISCUSSIONS WITH THEM ON THE CONVENTIONAL FORCE BALANCE ON THE KOREAN PENINSULA, WITH AN EYE TOWARDS WORKING ON A MORE STABLE SITUATION?

PERRY: THIS AGREEMENT... THIS FRAMEWORK AGREEMENT DEALT ONLY WITH... DID NOT DEAL WITH CONVENTIONAL MILITARY FORCES. IT DID NOT DEAL DIRECTLY WITH THE POLITICAL TENSIONS WHICH UNDERLIE THESE CONVENTIONAL MILITARY DEPLOYMENTS. BUT THROUGH THE NORTH-SOUTH DIALOGUE AND THROUGH THE INCREASED COMMUNICATIONS WHICH ARE INHERENT IN THE AGREEMENT, THERE IS A POSSIBILITY, THERE IS A POTENTIAL, THAT THERE WILL BE POLITICAL IMPROVEMENTS. THOSE POLITICAL IMPROVEMENTS COULD LEAD TO AN ENVIRONMENT IN WHICH CONVENTIONAL FORCE REDUCTIONS BECOME DESIRABLE ON BOTH SIDES OF THE DMZ. THE NORTH HAS A SPECIAL INCENTIVE TO MAKE REDUCTIONS OF THEIR ARMED FORCES BECAUSE THEY ARE A SUBSTANTIAL DRAIN ON AN ECONOMY WHICH IS ALREADY IN DIFFICULT CONDITIONS. THERE ARE THREE ACTIONS WHICH THE NORTH COULD TAKE IN THAT REGARD WHICH WOULD REDUCE THE THREAT AS WE ASSESS IT. THEY COULD WITHDRAW THE MASSIVE AMOUNT OF ARTILLERY THAT THEY HAVE BASED VERY NEAR THE DMZ. THEY COULD REDUCE THE TOTAL SIZE OF THEIR ARMY. AND THEY COULD REDUCE THE FORWARD DEPLOYMENT OF THEIR ARMY.

ONE ELABORATING POINT ON THE LAST QUESTION THAT WAS ASKED. AND THAT IS, JUST TO BE CLEAR, THAT IF THE IAEA, UNDER THIS AGREEMENT, IF THE IAEA STATES THAT THEY NEED SPECIAL INSPECTIONS, THEN NORTH KOREA MUST ALLOW THEM IN TIME. AND TO REITERATE, THE AGREEMENT WHICH REQUIRES IAEA COMPLIANCE MEANS THAT NORTH KOREA MAY NOT HAVE UNREGISTERED PLUTONIUM IMMEDIATELY FROM THE BEGINNING OF THE AGREEMENT.

I'D LIKE TO CLOSE NOW BY REITERATING THAT I BELIEVE THIS FRAMEWORK AGREEMENT STRONGLY SUPPORTS SECURITY AND STABILITY ON THE KOREAN PENINSULA AND THAT IT IS A VERY IMPORTANT AGREEMENT AND A VERY POSITIVE AGREEMENT BOTH FOR THE SECURITY OF THE REPUBLIC OF KOREA AND FOR THE SECURITY OF THE UNITED STATES. AND THAT I SUPPORT THIS AGREEMENT WITHOUT RESERVATION. THANK YOU.  
MAURER##

BC-KOREA-PERRY 1STLD (SCHEDULED, PICTURE) 2267

U.S. defence chief says no U.S. troop cut in Korea

By Charles Aldinger

SEOUL, Oct 21 (Reuter) - The U.S. defence secretary said on Friday Washington would not cut the size of its force in South Korea until North Korea did so, but offered an olive branch to Pyongyang by agreeing to cancel this year's Team Spirit joint military exercises with Seoul.

William Perry told a news conference in Seoul the nuclear agreement between the United States and North Korea did not address the imbalance of Pyongyang's forces deployed along its border with South Korea and that those forces must be reduced.

"The level of our military forces are determined by the conventional military threat from North Korea and we can only consider a reduction in them at such a time as we see a significant reduction in that threat," he said.

"We are not considering any reduction in the level of troops in Korea," Perry added.

There are more than 36,000 American troops, backed by heavy armour, in the South.

He said North Korea could quickly reduce political tensions on the peninsula if it withdrew "the massive amount" of artillery near the Demilitarised Zone between the two Koreas, reduced the total size of its army and reduced its forward deployment on the border.

Earlier, he and South Korean Defence Minister Rhee Byoung-tae announced the cancellation of this year's Team Spirit joint military exercises in a gesture of reconciliation towards the North following its agreement in Geneva on Monday to dismantle its nuclear programme.

Earlier this year the United States and South Korea suspended the exercises, which North Korea considers a rehearsal for invasion, but said they would go ahead in November unless Pyongyang agreed to full nuclear inspections.

Perry said it was Rhee's recommendation that Team Spirit be cancelled and the minister had told him he was preparing a combined exercise programme for 1995.

"He assured us he would have an exercise programme for 1995 that met his requirements for maintaining training and readiness," Perry said.

A South Korean Defence Ministry spokesman said no decision had been made on next year's exercises. Local news reports had said Team Spirit would be replaced by a much smaller exercise.

"Today's decision does not mean Team Spirit will go forever," the spokesman said.

The annual exercises, which normally involve tens of thousands of American and South Korean troops, began in 1976. They were suspended in 1992 as a gesture following warming relations between the two Koreas.

Perry arrived early on Friday to brief President Kim Young-sam and other South Korean leaders on Monday's Geneva agreement on the future of Pyongyang's suspected nuclear arms programme.

Under the deal, being formally signed on Friday, North Korea is to freeze its current programme for buildings graphite nuclear reactors and close an experimental reactor.

Washington will then form an international consortium,

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has been accused of diverting to make nuclear arms.  
Perry said he had come to Seoul as a special envoy for U.S. President Bill Clinton to reaffirm the security alliance between the United States and South Korea.

2768

"I came to state my personal belief that this framework agreement strengthens our alliance and security and stability on the Korean Peninsula," he said.

Seoul had viewed the Geneva talks with some suspicion but welcomed the agreement. Many South Koreans expressed fear that U.S. negotiators made too many concessions to North Korea in efforts to reduce nuclear tension and establish ties.

Perry said the agreement provided an environment for reducing political tensions on the peninsula, although it did not guarantee this.

"If that environment works and if the political agreements do improve, then we can start looking more seriously at our deployments and our equipment," he said. "In the meantime, I don't see any reason for changing them."

REUTER

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<TEXT>

BC-KOREA-AGREEMENT (SCHEDULED)

2269

U.S. and S.Korea send peace signals to North

By Robert Evans

GENEVA (Reuter) - The United States and South Korea sent a new peace signal to communist North Korea Friday as Washington and Pyongyang prepared to sign a landmark nuclear pact aimed at bringing detente to East Asia.

Just hours before the accord was to be formalized at a ceremony in Geneva, Defense Secretary William Perry and Seoul's Defense Minister Rhee Byoung-tae announced they were cancelling annual war games that have always angered the North.

There was no immediate comment from North Korea's mission, where First Deputy Foreign Minister Kang Sok-ju and U.S. ambassador-at-large Robert Gallucci were due to put their governments' seal on the pact at 3 p.m. (local time).

Diplomats who follow Korean affairs said the gesture would weaken, at least for the present, a long-standing Pyongyang argument for maintaining one of the potentially most powerful standing armies in Asia.

But Perry -- clearly aware of complaints that the nuclear deal conceded too much to the North -- told reporters in Seoul after the announcement that the United States would not be quickly withdrawing any of its 37,000 troops from the South.

If the nuclear accord, warmly endorsed by President Clinton, improved political relationships on the Korean peninsula, then the Pentagon 'can start looking more seriously at our deployments and our equipment,' Perry added.

The deal, described by Gallucci as a 'framework accord' because it also has a political and diplomatic dimension, is the first major pact between the largely isolated North and a non-communist power since the 1950-53 Korean War.

In that conflict, in which Washington led a United Nations coalition against the North and a newly communist China, hundreds of thousands of people died and the peninsula was devastated, leaving a legacy of hostility between the major combatants.

Clinton has said that the pact should help bring North Korea, most of whose Cold War era allies have disappeared with the collapse of communism and whose limping state-run economy badly needs restructuring, fully into the world community.

Under the accord, the product of more than two years of tough negotiations, Washington and Pyongyang will move steadily towards the establishment of full diplomatic relations -- almost unthinkable until very recently.

According to Gallucci, the North will also commit itself to resume its dialogue with the South -- launched with some fanfare in 1991 but since sunk into mutual recrimination partly due to suspicions about Pyongyang's nuclear energy program.

At the center of the deal is agreement by North Korea to maintain a current freeze on its graphite-moderated nuclear program, which could produce enough plutonium for hundreds of atomic weapons, and gradually dismantle all installations.

In return, the United States will lead an international consortium in which the South and Japan will play leading roles to finance and install light-water nuclear technology -- which produces little plutonium -- at a cost of some \$4 billion.

The consortium will also provide compensation in the form of

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perhaps in about 10 years.

Criticism has come from leading Republican Party figures -- who argue the deal was won at the cost of damaging concessions by Washington -- and, more diplomatically, from the U.N. watchdog International Atomic Energy Agency (IAEA).

The critics focus on Gallucci's failure to negotiate an early agreement for IAEA inspections of two sites where there could be evidence that North Korea has siphoned off enough plutonium from its existing small reactor to make weapons.

But the U.S. negotiator says his top priority was consolidating the nuclear freeze, thus ensuring that Pyongyang would not produce huge quantities of plutonium once two planned large graphite reactors were in operation.

Gallucci argues that checks by the IAEA at the suspect sites are not urgent because any traces that may be there cannot be removed and will remain for decades. He has said he expects the inspections to take place within five years or less.

REUTER

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BC-YUGOSLAVIA-NATO

2271

NATO seeks deal with U.N. on air strikes

By Jonathan Clayton

BRUSSELS, Oct 21 (Reuter) - NATO, increasingly worried its credibility is falling victim to the Bosnian crisis, met on Friday to try and end a public rift with the United Nations over tougher action against Serb gunners.

NATO sources said ambassadors of the 16-nation alliance debated changes to NATO demands for a tougher and swifter air strike policy in an attempt to reach a compromise with U.N. officials fearful of increasing danger for its peacekeepers.

NATO, under strong pressure from Washington, wants the right to carry out air strikes without prior warning against targets left to the discretion of pilots in the air in response to any provocations by Bosnian Serbs.

Talks earlier this week in New York failed to resolve the issue, but since then high-level talks by telephone have taken place between NATO's new Secretary-General Willy Claes and U.N. Secretary-General Boutros-Boutros Ghali.

"We should be able to clear up misunderstandings and reach a consensus," said one NATO source.

He said he believed NATO would alter its request that its pilots be given a range of at least four targets by U.N. commanders on the ground who currently specify the exact target they want NATO warplanes to hit.

He also said there was room for compromise on the NATO position of "no warning" whatsoever.

Claes -- in one of his first diplomatic initiatives since taking over at the start of the week -- is keen to avoid any more public squabbling over the issue.

A NATO delegation is set to return to New York early next week for more talks if a modified NATO position is endorsed.

Sceptics argue, however, that the agreement is unlikely to address the main issue -- the command structure which imposes long delays before any real response to violations of heavy weapons exclusion zones by Bosnian Serb gunners.

"They will end up with a form of words which is very muscular but which fails to stop the rot in NATO credibility," said one NATO source.

Currently, air strikes have to be requested by the U.N. commander on the ground and then approved by the U.N.'s Special Representative for Yugoslavia Yasushi Akashi before NATO planes in southern Italy get the "green light" from NATO's military command in Belgium.

The inevitable delay before any response infuriates NATO officials proud of a slick military alliance which won the Cold War.

"The Serbs are laughing at us, we are being dragged down to the U.N.'s level of credibility which is pretty low these days," said one military source.

The problem of credibility was again highlighted on Tuesday when a driver in a U.N. aid convoy died in a hail of Serb bullets but U.N. officers decided not to call for an air strike.

It was exactly the type of "pin prick" which NATO wants dealt with firmly and swiftly and along with the United Nations has repeatedly said it will no longer tolerate.

REUTER

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**JOINT EXERCISES MAY BE SCRAPPED:**

Defense Secretary William Perry and S. Korean leaders, meeting today and tomorrow in Seoul, will consider scrapping joint military exercises which N. Korea fiercely opposes, Seoul officials said. S. Korean news reports said Perry would also bring a message from President Clinton to S. Korean President Kim Young-sam that the U.S. would honor its security commitment to Seoul. Perry, scheduled to travel to Japan on Friday, will discuss cancellation of this year's joint *Team Spirit*

war games. The S. Korean *Yonhap* news agency said the exercises would be replaced by a much smaller joint exercise from next year. An official said Perry was expected to agree on the plan during his visit. (Reuters) 10/20/94

WASHINGTON TIMES

Oct. 24, 1994

Pg. 14

## Troops staying in S. Korea, Gulf

### Perry makes point after trip to Asia

By Charles Aldinger  
REUTERS NEWS AGENCY

Defense Secretary William Perry ended a round-the-world trip yesterday that left no doubt the U.S. military will remain entrenched in South Korea and the Gulf for the foreseeable future.

Mr. Perry arrived at Andrews Air Force Base after an 11-day, 20,000-mile-plus journey to Saudi Arabia, Kuwait, China, the Philippines, South Korea and Japan to discuss crises in the Gulf and the Korean Peninsula and to reforge U.S. military ties with Beijing.

"We did what we went for. We made clear that we will not just trust North Korea and Iraq, and we will be ready to act if they cause trouble," a senior defense official said aboard Mr. Perry's aircraft on the way home from Asia.

"The North Korean [nuclear] crisis appears on track to a peaceful ending. But the secretary knows that's a minefield. We will not remove troops until North Korea changes its behavior," added the official, who asked not to be identified.

In the Gulf, Mr. Perry warned that U.S. warplanes and ground armor are being added to American air power and weaponry stationed there since the 1991 Gulf war to make sure Iraq's President Sad-

dam Hussein does not again threaten Kuwait, his southern neighbor.

In Seoul Friday, Mr. Perry surprised reporters by saying that despite a new agreement between Washington and Pyongyang to dismantle the North's potential for building nuclear arms, the United States will not withdraw any of its 37,000 troops from South Korea until North Korea reduces its massive conventional military threat near the border.

Mr. Perry made clear that the presence of U.S. forces in the South was mainly a result of North Korea's conventional military buildup and not its alleged nuclear-arms ambitions.

Mr. Perry received assurances in the Gulf from Saudi and Kuwaiti leaders that they were prepared to pay the bulk of the \$500-million-plus cost of sending troops to the Gulf in the most recent crisis.

Those American troops are expected to begin returning home soon while American air power will remain to make sure that Saddam does not violate an order from the United States and its allies to keep elite troops and heavy armor away from the Kuwait border.

Another key purpose of Mr. Perry's trip was a four-day visit to China to begin renewing military ties, severed in 1989 after the People's Liberation Army crushed pro-democracy demonstrators in Tiananmen Square.